UNITED NATIONS

Daily Highlights

Department of Public Information • Central News Section • New York

Prepared by Central News

DH/2075
6 February 1996

TUESDAY HIGHLIGHTS

- Secretary-General says UN on edge of insolvency; calls for special General Assembly session on financial crisis; suggests 15 to 20 per cent ceiling on assessments.

- UNDP and Department of Humanitarian Affairs allocate funds to aid Chinese earthquake victims.

- Habitat II Preparatory Committee begins final session.

- Committee on Non-Governmental Organizations concludes 1995 resumed session; recommends withdrawal of consultative status of 12 organizations.

- Civilian and military personnel serving with UNAVEM III struck by malaria.

* * *

Secretary-General Boutros Boutros-Ghali today called for a special session of the General Assembly to address the United Nations financial crisis. He said the Organization was trapped in a downward spiral of events in which one problem created another, and the combination of problems worked against a rational solution. Addressing the High-Level Open-Ended Working Group on the United Nations Financial Situation, he said the UN must change substantially if it were to be regarded by Member States as providing good value in return for their assessments. That could not be achieved unless the downward spiral was broken.

The financial crisis had brought the United Nations to the edge of insolvency, the Secretary-General said. It faced challenges in its finances, scale of assessments, budget, structure and administration, which had to be approached realistically and rationally. Stressing that he would do everything to avoid financial collapse, he said only Member States could take the major decisions necessary. Unpaid assessments now exceeded $3.3 billion and the United Nations owed about $1 billion to countries that had contributed troops and equipment to peace-keeping operations. It could no longer shift funds from the peace-keeping budget to meet shortfalls elsewhere. He would appeal to the heads of Government to make up their arrears and ask them for a proposed payment plan.

(more)

For information media—not an official record

The current scale of assessments was at the heart of any approach to address long-term dimensions of the crisis, the Secretary-General continued. The scale should reflect current political and economic realities and the United Nations global nature. A ceiling of 20 per cent, or even 15 per cent, on the assessed contribution of any Member State to the regular budget, would provide for a more even distribution and would better reflect the fact that the Organization was the instrument of all nations.

The General Assembly had approved a 1996-97 budget requiring additional cuts of $154 million that could only be achieved by reducing staff and non-staff costs. The Secretary-General said that would impact on activities and services provided to Member States. Department heads had been asked to realize those reductions and identify further savings. He was committed to reducing expenditures to the level approved by the General Assembly, while minimizing the effect on programmes and improving efficiency. He was also committed to minimizing the impact on the staff. "We must not undermine the international civil service." he stressed.

Serious Secretariat efforts to deal with the reduced budget must be accompanied by equally serious efforts by Member States to finance the activities and programmes they had approved in the budget, he said. Certain basic structural issues must be addressed including: composition and procedures of the Security Council; the relationship between the Council and the General Assembly; the future of the Trusteeship Council and the role of the Economic and Social Council. He had already undertaken a number of reform measures. His objective was a more integrated Organization, which could focus on the major tasks of peace-keeping, human rights, humanitarian assistance and development and their growing linkages.

Action on the financial crisis was the key to progress, the Secretary-General said. As long as it remained unresolved all other efforts to cut back, reform or restructure could not possibly succeed and the fate of the United Nations was in danger. He pledged to do everything to find a solution but said there were decisions only Member States could make. The budget in relation to the size, scope and significance of United Nations activities was remarkable small. He appealed to the international community to provide the financial under-pinning to enable continuing reform.

* * *

The United Nations is providing China with funds to aid earthquake victims in its Hunnan province, a United Nations spokesman said today. The Department of Humanitarian Affairs would be the focal point for relief activities and had already given $50,000 from its emergency fund. The United Nations Development Programme (UNDP) had also allocated $50,000 from one of its special funds. The Norwegian Government had contributed $50,000 and the Russian Federation was making four transport planes available to help with relief supplies.

(more)

* * *

Many present development trends were damaging urban environments, according to the Chairman of the Preparatory Committee for the Second United Nations Conference on Human Settlements (Habitat II). Martti Lujanen said yesterday that more than a billion people were inadequately housed, fresh water was diminishing, and air pollution and traffic congestion were increasing. While many trends were bleak, he was confident the Conference would have an enormous impact.

The Secretary-General of the Conference, Wally N'Dow, said that Habitat II would affect the major issues of the world today -- jobs, housing, security, services, the quality of the living environment and the right of ordinary people to have a say in decisions affecting their lives. Habitat II will be held in Istanbul, Turkey in June.

* * *

The Committee on Non-Governmental Organizations has recommended that the Economic and Social Council withdraw the consultative status of 12 organizations. The Committee, which concluded its 1995 resumed session on Friday, also recommended the Council grant Category II status to ISIS International (Chile) and ISIS International Women's Information and Communications Service (Philippines). It deferred action on the International Energy Foundation.

* * *

Approximately a thousand civilian and military personnel serving with the United Nations Angolan Verification Mission (UNAVEM III) have been affected by malaria in the last year, a United Nations spokesman said today. Two Brazilian soldiers died from cerebral malaria several weeks ago, she said, adding that some staff had been forgetting to take preventive medication. About 7,000 people are currently serving with the UN Mission.

* *** *